

AMENDED IN SENATE JANUARY 29, 2014

AMENDED IN SENATE JANUARY 17, 2014

AMENDED IN SENATE JANUARY 6, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 471

**Introduced by Assembly Members Atkins, Dickinson, Perea, and
Ting**

(Coauthors: Senators Mitchell, Torres, and Wolk)

February 19, 2013

An act to amend Section 53395.4 of the Government Code, and to amend Sections ~~34163~~, 34171, 34177, ~~34180~~, ~~34183~~, 34191.4, and 34191.5 of the Health and Safety Code, relating to local government, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 471, as amended, Atkins. Local government: redevelopment: successor agencies to redevelopment agencies.

(1) Existing law authorizes the creation of infrastructure financing districts, as defined, for the sole purpose of financing public facilities, subject to adoption of a resolution by the legislative body and affected taxing entities proposed to be subject to the division of taxes and voter approval requirements. Existing law prohibits an infrastructure financing district from including any portion of a redevelopment project area.

This bill would delete that prohibition and would authorize a district to finance a project or portion of a project that is located in, or overlaps with, a redevelopment project area or former redevelopment project area, as specified.

~~(2) Existing law dissolved redevelopment agencies and community development agencies as of February 1, 2012, and provides for the designation of successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations and to perform obligations required pursuant to any enforceable obligation. Existing law prohibits a successor agency from entering into contracts with, incur obligations, or make commitments to, any entity, as specified, or to amend or modify existing agreements, obligations, or commitments with any entity, for any purpose.~~

~~This bill would authorize a successor agency to amend an existing contract or agreement related to long-term enforceable obligations, or enter into a new contract or agreement in furtherance of an existing contract or agreement, for the purpose of administering projects in connection with long-term enforceable obligations, if the existing contract or agreement has been approved by the Department of Finance as an enforceable obligation on a Recognized Obligation Payment Schedule, and the existing contract or agreement has received a final and conclusive determination. The bill would prohibit any amendment of an existing contract or agreement, or any new contract or agreement, from committing any new funding from any source beyond the funding that was previously authorized in the existing contract or agreement. The bill would also prohibit the amendment of an existing contract or agreement, or any new contract or agreement, from otherwise adversely affecting the flow of property tax revenues, or payments made to taxing entities, as specified.~~

~~(3)~~

~~(2) Existing law requires a successor agency to submit a Recognized Obligation Payment Schedule to the Department of Finance, and requires the successor agency to make payments pursuant to that schedule.~~

~~This bill would authorize the successor agency to schedule Recognized Obligation Payment Schedule payments beyond the existing Recognized Obligation Payment Schedule cycle upon a showing that a lender requires cash on hand beyond the Recognized Obligation Payment Schedule cycle, or when a payment is shown to be due during the Recognized Obligation Payment Schedule period. The bill would authorize the successor agency to utilize reasonable estimates and projections to support payment amounts where a payment is shown to be due during the Recognized Obligation Payment Schedule period but an invoice or other billing document has not been received, if the~~

successor agency submits appropriate supporting documentation for the basis of the estimate or projection to the department *and the auditor-controller*. The bill would provide that a Recognized Obligation Payment Schedule may also include appropriation of moneys from bonds subject to passage during the Recognized Obligation Payment Schedule cycle when an enforceable obligation requires the agency to issue the bonds and use the proceeds to pay for project expenditures.

~~(4) Existing law requires that specified actions of a successor agency be first approved by its oversight board, including, among others, the establishment of a Recognized Obligation Payment Schedule.~~

~~This bill would require a successor agency to notify the board 10 days prior to entering into a contract or agreement for the use or disposition of specified properties. The bill would authorize the board to notify the successor agency during that 10-day period that the board intends to conduct a hearing to determine whether the contract or agreement is consistent with the successor agency's long-range property management plan and would require the board to hold the hearing and issue findings within 30 days after it so notified the successor agency.~~

~~(5)~~

(3) Existing law requires the county auditor-controller to determine the amount of property taxes that would have been allocated to each redevelopment agency if it had not been dissolved and to deposit this amount in a Redevelopment Property Tax Trust Fund in the county. Existing law requires the conducting of a due diligence review to determine the unobligated balances available for transfer to affected taxing entities. Existing law requires the county auditor-controller for each fiscal year to allocate moneys in the Redevelopment Property Tax Trust Fund for passthrough payment obligations, enforceable obligations of the dissolved redevelopment agency, and administrative costs, as specified. Any remaining moneys in the Redevelopment Property Tax Trust Fund are required to be distributed as local property tax revenues to local agencies and school entities, as specified.

This bill would require that, *under specified conditions*, on ~~January 2, July 1, 2014, and twice yearly thereafter until June July 1, 2018,~~ funds be allocated to cover the housing entity administrative cost allowance of a local housing authority that has assumed the housing duties of the former redevelopment agency, as specified, before remaining moneys are distributed to local agencies and school entities. The bill would define "housing entity administrative cost allowance" for these purposes. This bill would also exclude from the calculation

of the amount distributed to taxing entities during the 2012–13 base year the amounts distributed to taxing entities pursuant to the due diligence review process. By imposing additional duties upon local public officials, the bill would create a state-mandated local program.

(6)

(4) Existing law requires a successor agency to prepare a long-range property management plan that addresses the disposition and use of the real properties of a former redevelopment agency and requires a transfer of the property to the city, county, or city and county if the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, as specified.

This bill would specify that the term “identified in an approved redevelopment plan” includes properties listed in a community plan or a 5-year implementation plan.

(7)

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(8)

(6) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 53395.4 of the Government Code is
2 amended to read:

3 53395.4. (a) A district may finance only the facilities or
4 services authorized in this chapter to the extent that the facilities
5 or services are in addition to those provided in the territory of the
6 district before the district was created. The additional facilities or
7 services may not supplant facilities or services already available
8 within that territory when the district was created but may
9 supplement those facilities and services as needed to serve new
10 developments.

11 (b) A district may include areas that are not contiguous.

1 (c) A district may finance a project or portion of a project that
2 is located in, or overlaps with, a redevelopment project area or
3 former redevelopment project area. The successor agency to the
4 former redevelopment agency shall receive a ~~certificate~~ *finding* of
5 completion, as defined in Section 34179.7 of the Health and Safety
6 Code, prior to the district financing any project or portion of a
7 project under this subdivision.

8 (d) Notwithstanding subdivision (c), any debt or obligation of
9 a district shall be subordinate to an enforceable obligation of a
10 former redevelopment agency, as defined in Section 34171 of the
11 Health and Safety Code. For the purposes of this chapter, the
12 division of taxes allocated to the district pursuant to subdivision
13 (b) of Section 53396 shall not include any taxes required to be
14 deposited by the county auditor-controller into the Redevelopment
15 Property Tax Trust Fund created pursuant to subdivision (b) of
16 Section 34170.5 of the Health and Safety Code.

17 (e) The legislative body of the city or county forming the district
18 may choose to dedicate any portion of its net available revenue to
19 the district through the financing plan described in Section
20 53395.14.

21 (f) For the purposes of this section, “net available revenue”
22 means periodic distributions to the city or county from the
23 Redevelopment Property Tax Trust Fund, created pursuant to
24 Section 34170.5 of the Health and Safety Code, that are available
25 to the city or county after all preexisting legal commitments and
26 statutory obligations funded from that revenue are made pursuant
27 to Part 1.85 (commencing with Section 34170) of Division 24 of
28 the Health and Safety Code. Net available revenue shall not include
29 any funds deposited by the county auditor-controller into the
30 Redevelopment Property Tax Trust Fund or funds remaining in
31 the Redevelopment Property Tax Trust Fund prior to distribution.
32 Net available revenues shall not include any moneys payable to a
33 school district that maintains kindergarten and grades 1 to 12,
34 inclusive, community college districts, or to the Educational
35 Revenue Augmentation Fund, pursuant to paragraph (4) of
36 subdivision (a) of Section 34183 of the Health and Safety Code.

37 ~~SEC. 2. Section 34163 of the Health and Safety Code is~~
38 ~~amended to read:~~

39 ~~34163. Notwithstanding Part 1 (commencing with Section~~
40 ~~33000), Part 1.5 (commencing with Section 34000), Part 1.6~~

~~(commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this part, an agency shall not have the authority to, and shall not, do any of the following:~~

~~(a) Make loans or advances or grant or enter into agreements to provide funds or provide financial assistance of any sort to any entity or person for any purpose, including, but not limited to, all of the following:~~

~~(1) Loans of moneys or any other thing of value or commitments to provide financing to nonprofit organizations to provide those organizations with financing for the acquisition, construction, rehabilitation, refinancing, or development of multifamily rental housing or the acquisition of commercial property for lease, each pursuant to Chapter 7.5 (commencing with Section 33741) of Part 1.~~

~~(2) Loans of moneys or any other thing of value for residential construction, improvement, or rehabilitation pursuant to Chapter 8 (commencing with Section 33750) of Part 1. These include, but are not limited to, construction loans to purchasers of residential housing, mortgage loans to purchasers of residential housing, and loans to mortgage lenders, or any other entity, to aid in financing pursuant to Chapter 8 (commencing with Section 33750).~~

~~(3) The purchase, by an agency, of mortgage or construction loans from mortgage lenders or from any other entities.~~

~~(b) Except as provided in subdivision (d) of Section 34191.4, enter into contracts with, incur obligations, or make commitments to, any entity, whether governmental, tribal, or private, or any individual or groups of individuals for any purpose, including, but not limited to, loan agreements, passthrough agreements, regulatory agreements, services contracts, leases, disposition and development agreements, joint exercise of powers agreements, contracts for the purchase of capital equipment, agreements for redevelopment activities, including, but not limited to, agreements for planning, design, redesign, development, demolition, alteration, construction, reconstruction, rehabilitation, site remediation, site development or improvement, removal of graffiti, land clearance, and seismic retrofits.~~

~~(c) Amend or modify existing agreements, obligations, or commitments with any entity, for any purpose, including, but not limited to, any of the following:~~

1 ~~(1) Renewing or extending term of leases or other agreements,~~
2 ~~except that the agency may extend lease space for its own use to~~
3 ~~a date not to exceed six months after the effective date of the act~~
4 ~~adding this part and for a rate no more than 5 percent above the~~
5 ~~rate the agency currently pays on a monthly basis.~~

6 ~~(2) Modifying terms and conditions of existing agreements,~~
7 ~~obligations, or commitments.~~

8 ~~(3) Forgiving all or any part of the balance owed to the agency~~
9 ~~on existing loans or extend the term or change the terms and~~
10 ~~conditions of existing loans.~~

11 ~~(4) Making any future deposits to the Low and Moderate Income~~
12 ~~Housing Fund created pursuant to Section 33334.3.~~

13 ~~(5) Transferring funds out of the Low and Moderate Income~~
14 ~~Housing Fund, except to meet the minimum housing-related~~
15 ~~obligations that existed as of January 1, 2011, to make required~~
16 ~~payments under Sections 33690 and 33690.5, and to borrow funds~~
17 ~~pursuant to Section 34168.5.~~

18 ~~(d) Dispose of assets by sale, long-term lease, gift, grant,~~
19 ~~exchange, transfer, assignment, or otherwise, for any purpose,~~
20 ~~including, but not limited to, any of the following:~~

21 ~~(1) Assets, including, but not limited to, real property, deeds of~~
22 ~~trust, and mortgages held by the agency, moneys, accounts~~
23 ~~receivable, contract rights, proceeds of insurance claims, grant~~
24 ~~proceeds, settlement payments, rights to receive rents, and any~~
25 ~~other rights to payment of whatever kind.~~

26 ~~(2) Real property, including, but not limited to, land, land under~~
27 ~~water and waterfront property, buildings, structures, fixtures, and~~
28 ~~improvements on the land, any property appurtenant to, or used~~
29 ~~in connection with, the land, every estate, interest, privilege,~~
30 ~~easement, franchise, and right in land, including rights-of-way,~~
31 ~~terms for years, and liens, charges, or encumbrances by way of~~
32 ~~judgment, mortgage, or otherwise, and the indebtedness secured~~
33 ~~by the liens.~~

34 ~~(e) Acquire real property by any means for any purpose,~~
35 ~~including, but not limited to, the purchase, lease, or exercising of~~
36 ~~an option to purchase or lease, exchange, subdivide, transfer,~~
37 ~~assume, obtain option upon, acquire by gift, grant, bequest, devise,~~
38 ~~or otherwise acquire any real property, any interest in real property,~~
39 ~~and any improvements on it, including the repurchase of developed~~
40 ~~property previously owned by the agency and the acquisition of~~

1 real property by eminent domain; provided, however, that nothing
2 in this subdivision is intended to prohibit the acceptance or transfer
3 of title for real property acquired prior to the effective date of this
4 part.

5 (f) ~~Transfer, assign, vest, or delegate any of its assets, funds,~~
6 ~~rights, powers, ownership interests, or obligations for any purpose~~
7 ~~to any entity, including, but not limited to, the community, the~~
8 ~~legislative body, another member of a joint powers authority, a~~
9 ~~trustee, a receiver, a partner entity, another agency, a nonprofit~~
10 ~~corporation, a contractual counterparty, a public body, a~~
11 ~~limited-equity housing cooperative, the state, a political subdivision~~
12 ~~of the state, the federal government, any private entity, or an~~
13 ~~individual or group of individuals.~~

14 (g) ~~Accept financial or other assistance from the state or federal~~
15 ~~government or any public or private source if the acceptance~~
16 ~~necessitates or is conditioned upon the agency incurring~~
17 ~~indebtedness as that term is described in this part.~~

18 ~~SEC. 3.~~

19 *SEC. 2.* Section 34171 of the Health and Safety Code is
20 amended to read:

21 34171. The following terms shall have the following meanings:

22 (a) “Administrative budget” means the budget for administrative
23 costs of the successor agencies as provided in Section 34177.

24 (b) “Administrative cost allowance” means an amount that,
25 subject to the approval of the oversight board, is payable from
26 property tax revenues of up to 5 percent of the property tax
27 allocated to the successor agency on the Recognized Obligation
28 Payment Schedule covering the period January 1, 2012, through
29 June 30, 2012, and up to 3 percent of the property tax allocated to
30 the Redevelopment Obligation Retirement Fund money that is
31 allocated to the successor agency for each fiscal year thereafter;
32 provided, however, that the amount shall not be less than two
33 hundred fifty thousand dollars (\$250,000), unless the oversight
34 board reduces this amount, for any fiscal year or such lesser amount
35 as agreed to by the successor agency. However, the allowance
36 amount shall exclude, and shall not apply to, any administrative
37 costs that can be paid from bond proceeds or from sources other
38 than property tax. Administrative cost allowances shall exclude
39 any litigation expenses related to assets or obligations, settlements
40 and judgments, and the costs of maintaining assets prior to

disposition. Employee costs associated with work on specific project implementation activities, including, but not limited to, construction inspection, project management, or actual construction, shall be considered project-specific costs and shall not constitute administrative costs.

(c) “Designated local authority” shall mean a public entity formed pursuant to subdivision (d) of Section 34173.

(d) (1) “Enforceable obligation” means any of the following:

(A) Bonds, as defined by Section 33602 and bonds issued pursuant to Chapter 10.5 (commencing with Section 5850) of Division 6 of Title 1 of the Government Code, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency. A reserve may be held when required by the bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following half of the calendar year.

(B) Loans of moneys borrowed by the redevelopment agency for a lawful purpose, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms.

(C) Payments required by the federal government, preexisting obligations to the state or obligations imposed by state law, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183, or legally enforceable payments required in connection with the agencies’ employees, including, but not limited to, pension payments, pension obligation debt service, unemployment payments, or other obligations conferred through a collective bargaining agreement. Costs incurred to fulfill collective bargaining agreements for layoffs or terminations of city employees who performed work directly on behalf of the former redevelopment agency shall be considered enforceable obligations payable from property tax funds. The obligations to employees specified in this subparagraph shall remain enforceable obligations payable from property tax funds for any employee to whom those obligations apply if that employee is transferred to the entity assuming the housing functions of the former redevelopment agency pursuant to Section 34176. The

1 successor agency or designated local authority shall enter into an
2 agreement with the housing entity to reimburse it for any costs of
3 the employee obligations.

4 (D) Judgments or settlements entered by a competent court of
5 law or binding arbitration decisions against the former
6 redevelopment agency, other than passthrough payments that are
7 made by the county auditor-controller pursuant to Section 34183.
8 Along with the successor agency, the oversight board shall have
9 the authority and standing to appeal any judgment or to set aside
10 any settlement or arbitration decision.

11 (E) Any legally binding and enforceable agreement or contract
12 that is not otherwise void as violating the debt limit or public
13 policy. However, nothing in this act shall prohibit either the
14 successor agency, with the approval or at the direction of the
15 oversight board, or the oversight board itself from terminating any
16 existing agreements or contracts and providing any necessary and
17 required compensation or remediation for such termination. Titles
18 of or headings used on or in a document shall not be relevant in
19 determining the existence of an enforceable obligation.

20 (F) Contracts or agreements necessary for the administration or
21 operation of the successor agency, in accordance with this part,
22 including, but not limited to, agreements concerning litigation
23 expenses related to assets or obligations, settlements and
24 judgments, and the costs of maintaining assets prior to disposition,
25 and agreements to purchase or rent office space, equipment and
26 supplies, and pay-related expenses pursuant to Section 33127 and
27 for carrying insurance pursuant to Section 33134.

28 (G) Amounts borrowed from, or payments owing to, the Low
29 and Moderate Income Housing Fund of a redevelopment agency,
30 which had been deferred as of the effective date of the act adding
31 this part; provided, however, that the repayment schedule is
32 approved by the oversight board. Repayments shall be transferred
33 to the Low and Moderate Income Housing Asset Fund established
34 pursuant to subdivision (d) of Section 34176 as a housing asset
35 and shall be used in a manner consistent with the affordable
36 housing requirements of the Community Redevelopment Law (Part
37 1 (commencing with Section 33000)).

38 (2) For purposes of this part, “enforceable obligation” does not
39 include any agreements, contracts, or arrangements between the
40 city, county, or city and county that created the redevelopment

1 agency and the former redevelopment agency. However, written
2 agreements entered into (A) at the time of issuance, but in no event
3 later than December 31, 2010, of indebtedness obligations, and
4 (B) solely for the purpose of securing or repaying those
5 indebtedness obligations may be deemed enforceable obligations
6 for purposes of this part. Notwithstanding this paragraph, loan
7 agreements entered into between the redevelopment agency and
8 the city, county, or city and county that created it, within two years
9 of the date of creation of the redevelopment agency, may be
10 deemed to be enforceable obligations.

11 (3) Contracts or agreements between the former redevelopment
12 agency and other public agencies, to perform services or provide
13 funding for governmental or private services or capital projects
14 outside of redevelopment project areas that do not provide benefit
15 to the redevelopment project and thus were not properly authorized
16 under Part 1 (commencing with Section 33000) shall be deemed
17 void on the effective date of this part; provided, however, that such
18 contracts or agreements for the provision of housing properly
19 authorized under Part 1 (commencing with Section 33000) shall
20 not be deemed void.

21 (e) "Indebtedness obligations" means bonds, notes, certificates
22 of participation, or other evidence of indebtedness, issued or
23 delivered by the redevelopment agency, or by a joint exercise of
24 powers authority created by the redevelopment agency, to
25 third-party investors or bondholders to finance or refinance
26 redevelopment projects undertaken by the redevelopment agency
27 in compliance with the Community Redevelopment Law (Part 1
28 (commencing with Section 33000)).

29 (f) "Oversight board" shall mean each entity established pursuant
30 to Section 34179.

31 (g) "Recognized obligation" means an obligation listed in the
32 Recognized Obligation Payment Schedule.

33 (h) "Recognized Obligation Payment Schedule" means the
34 document setting forth the minimum payment amounts and due
35 dates of payments required by enforceable obligations for each
36 six-month fiscal period as provided in subdivision (m) of Section
37 34177.

38 (i) "School entity" means any entity defined as such in
39 subdivision (f) of Section 95 of the Revenue and Taxation Code.

(j) “Successor agency” means the successor entity to the former redevelopment agency as described in Section 34173.

(k) “Taxing entities” means cities, counties, a city and county, special districts, and school entities, as defined in subdivision (f) of Section 95 of the Revenue and Taxation Code, that receive passthrough payments and distributions of property taxes pursuant to the provisions of this part.

(l) “Property taxes” include all property tax revenues, including those from unitary and supplemental and roll corrections applicable to tax increment.

(m) “Department” means the Department of Finance unless the context clearly refers to another state agency.

(n) “Sponsoring entity” means the city, county, or city and county, or other entity that authorized the creation of each redevelopment agency.

(o) “Final judicial determination” means a final judicial determination made by any state court that is not appealed, or by a court of appellate jurisdiction that is not further appealed, in an action by any party.

(p) From ~~January 2, July 1, 2014, to June July 1, 2018, inclusive,~~ “housing entity administrative cost allowance” means an amount of up to 1 percent of the property tax allocated to the Redevelopment Obligation Retirement Fund on behalf of the successor agency for each applicable fiscal year, but not less than one hundred fifty thousand dollars (\$150,000) per fiscal year.

(1) ~~The~~ *If a local housing authority assumed the housing functions of the former redevelopment agency pursuant to paragraph (2) or (3) of subdivision (b) of Section 34176, then the* housing entity administrative cost allowance shall be listed by the successor agency on the Recognized Obligation Payment Schedule. Upon approval of the Recognized Obligation Payment Schedule by the oversight board and the department, the housing entity administrative cost allowance shall be remitted by the ~~county auditor-controller~~ *successor agency* on each January 2 and ~~June July 1~~ to the local housing authority that assumed the housing functions of the former redevelopment agency pursuant to paragraph (2) or (3) of subdivision (b) of Section 34176. ~~To assist the county auditor-controller in this duty, the successor agency shall notify the county auditor-controller by March 1, 2014, of the~~

1 identity of the entity that has assumed the housing functions of the
2 former redevelopment agency.

3 (2) If there are insufficient moneys in the Redevelopment
4 Obligations Retirement Fund in a given fiscal year to make the
5 payment authorized by this subdivision, the unfunded amount may
6 be listed on each subsequent Recognized Obligation Payment
7 Schedule until it has been paid in full. In these cases the five-year
8 time limit on the payments shall not apply.

9 ~~SEC. 4.~~

10 *SEC. 3.* Section 34177 of the Health and Safety Code is
11 amended to read:

12 34177. Successor agencies are required to do all of the
13 following:

14 (a) Continue to make payments due for enforceable obligations.

15 (1) On and after February 1, 2012, and until a Recognized
16 Obligation Payment Schedule becomes operative, only payments
17 required pursuant to an enforceable obligations payment schedule
18 shall be made. The initial enforceable obligation payment schedule
19 shall be the last schedule adopted by the redevelopment agency
20 under Section 34169. However, payments associated with
21 obligations excluded from the definition of enforceable obligations
22 by paragraph (2) of subdivision (d) of Section 34171 shall be
23 excluded from the enforceable obligations payment schedule and
24 be removed from the last schedule adopted by the redevelopment
25 agency under Section 34169 prior to the successor agency adopting
26 it as its enforceable obligations payment schedule pursuant to this
27 subdivision. The enforceable obligation payment schedule may
28 be amended by the successor agency at any public meeting and
29 shall be subject to the approval of the oversight board as soon as
30 the board has sufficient members to form a quorum. In recognition
31 of the fact that the timing of the California Supreme Court's ruling
32 in the case California Redevelopment Association v. Matosantos
33 (2011) 53 Cal.4th 231 delayed the preparation by successor
34 agencies and the approval by oversight boards of the January 1,
35 2012, through June 30, 2012, Recognized Obligation Payment
36 Schedule, a successor agency may amend the Enforceable
37 Obligation Payment Schedule to authorize the continued payment
38 of enforceable obligations until the time that the January 1, 2012,
39 through June 30, 2012, Recognized Obligation Payment Schedule
40 has been approved by the oversight board and by the Department

1 of Finance. The successor agency may utilize reasonable estimates
2 and projections to support payment amounts for enforceable
3 obligations if the successor agency submits appropriate supporting
4 documentation of the basis for the estimate or projection to the
5 Department of Finance *and the auditor-controller*.

6 (2) The Department of Finance and the Controller shall each
7 have the authority to require any documents associated with the
8 enforceable obligations to be provided to them in a manner of their
9 choosing. Any taxing entity, the department, and the Controller
10 shall each have standing to file a judicial action to prevent a
11 violation under this part and to obtain injunctive or other
12 appropriate relief.

13 (3) Commencing on the date the Recognized Obligation Payment
14 Schedule is valid pursuant to subdivision (I), only those payments
15 listed in the Recognized Obligation Payment Schedule may be
16 made by the successor agency from the funds specified in the
17 Recognized Obligation Payment Schedule. In addition, after it
18 becomes valid, the Recognized Obligation Payment Schedule shall
19 supersede the Statement of Indebtedness, which shall no longer
20 be prepared nor have any effect under the Community
21 Redevelopment Law (Part 1 (commencing with Section 33000)).

22 (4) Nothing in the act adding this part is to be construed as
23 preventing a successor agency, with the prior approval of the
24 oversight board, as described in Section 34179, from making
25 payments for enforceable obligations from sources other than those
26 listed in the Recognized Obligation Payment Schedule.

27 (5) From February 1, 2012, to July 1, 2012, a successor agency
28 shall have no authority and is hereby prohibited from accelerating
29 payment or making any lump-sum payments that are intended to
30 prepay loans unless such accelerated repayments were required
31 prior to the effective date of this part.

32 (b) Maintain reserves in the amount required by indentures,
33 trust indentures, or similar documents governing the issuance of
34 outstanding redevelopment agency bonds.

35 (c) Perform obligations required pursuant to any enforceable
36 obligation.

37 (d) Remit unencumbered balances of redevelopment agency
38 funds to the county auditor-controller for distribution to the taxing
39 entities, including, but not limited to, the unencumbered balance
40 of the Low and Moderate Income Housing Fund of a former

1 redevelopment agency. In making the distribution, the county
2 auditor-controller shall utilize the same methodology for allocation
3 and distribution of property tax revenues provided in Section
4 34188.

5 (e) Dispose of assets and properties of the former redevelopment
6 agency as directed by the oversight board; provided, however, that
7 the oversight board may instead direct the successor agency to
8 transfer ownership of certain assets pursuant to subdivision (a) of
9 Section 34181. The disposal is to be done expeditiously and in a
10 manner aimed at maximizing value. Proceeds from asset sales and
11 related funds that are no longer needed for approved development
12 projects or to otherwise wind down the affairs of the agency, each
13 as determined by the oversight board, shall be transferred to the
14 county auditor-controller for distribution as property tax proceeds
15 under Section 34188. The requirements of this subdivision shall
16 not apply to a successor agency that has been issued a finding of
17 completion by the Department of Finance pursuant to Section
18 34179.7.

19 (f) Enforce all former redevelopment agency rights for the
20 benefit of the taxing entities, including, but not limited to,
21 continuing to collect loans, rents, and other revenues that were due
22 to the redevelopment agency.

23 (g) Effectuate transfer of housing functions and assets to the
24 appropriate entity designated pursuant to Section 34176.

25 (h) Expeditiously wind down the affairs of the redevelopment
26 agency pursuant to the provisions of this part and in accordance
27 with the direction of the oversight board.

28 (i) Continue to oversee development of properties until the
29 contracted work has been completed or the contractual obligations
30 of the former redevelopment agency can be transferred to other
31 parties. Bond proceeds shall be used for the purposes for which
32 bonds were sold unless the purposes can no longer be achieved,
33 in which case, the proceeds may be used to defease the bonds.

34 (j) Prepare a proposed administrative budget and submit it to
35 the oversight board for its approval. The proposed administrative
36 budget shall include all of the following:

37 (1) Estimated amounts for successor agency administrative costs
38 for the upcoming six-month fiscal period.

39 (2) Proposed sources of payment for the costs identified in
40 paragraph (1).

1 (3) Proposals for arrangements for administrative and operations
2 services provided by a city, county, city and county, or other entity.

3 (k) Provide administrative cost estimates, from its approved
4 administrative budget that are to be paid from property tax revenues
5 deposited in the Redevelopment Property Tax Trust Fund, to the
6 county auditor-controller for each six-month fiscal period.

7 (l) (1) Before each six-month fiscal period, prepare a
8 Recognized Obligation Payment Schedule in accordance with the
9 requirements of this paragraph. For each recognized obligation,
10 the Recognized Obligation Payment Schedule shall identify one
11 or more of the following sources of payment:

12 (A) Low and Moderate Income Housing Fund.

13 (B) Bond proceeds.

14 (C) Reserve balances.

15 (D) Administrative cost allowance.

16 (E) The Redevelopment Property Tax Trust Fund, but only to
17 the extent no other funding source is available or when payment
18 from property tax revenues is required by an enforceable obligation
19 or by the provisions of this part.

20 (F) Other revenue sources, including rents, concessions, asset
21 sale proceeds, interest earnings, and any other revenues derived
22 from the former redevelopment agency, as approved by the
23 oversight board in accordance with this part.

24 (2) A Recognized Obligation Payment Schedule shall not be
25 deemed valid unless all of the following conditions have been met:

26 (A) A Recognized Obligation Payment Schedule is prepared
27 by the successor agency for the enforceable obligations of the
28 former redevelopment agency. The initial schedule shall project
29 the dates and amounts of scheduled payments for each enforceable
30 obligation for the remainder of the time period during which the
31 redevelopment agency would have been authorized to obligate
32 property tax increment had the a redevelopment agency not been
33 dissolved.

34 (B) The Recognized Obligation Payment Schedule is submitted
35 to and duly approved by the oversight board. The successor agency
36 shall submit a copy of the Recognized Obligation Payment
37 Schedule to the county administrative officer, the county
38 auditor-controller, and the Department of Finance at the same time
39 that the successor agency submits the Recognized Obligation
40 Payment Schedule to the oversight board for approval.

1 (C) A copy of the approved Recognized Obligation Payment
2 Schedule is submitted to the county auditor-controller, the
3 Controller's office, and the Department of Finance, and is posted
4 on the successor agency's Internet Web site.

5 (3) The Recognized Obligation Payment Schedule shall be
6 forward looking to the next six months. The first Recognized
7 Obligation Payment Schedule shall be submitted to the Controller's
8 office and the Department of Finance by April 15, 2012, for the
9 period of January 1, 2012, to June 30, 2012, inclusive. This
10 Recognized Obligation Payment Schedule shall include all
11 payments made by the former redevelopment agency between
12 January 1, 2012, through January 31, 2012, and shall include all
13 payments proposed to be made by the successor agency from
14 February 1, 2012, through June 30, 2012. Former redevelopment
15 agency enforceable obligation payments due, and reasonable or
16 necessary administrative costs due or incurred, prior to January 1,
17 2012, shall be made from property tax revenues received in the
18 spring of 2011 property tax distribution, and from other revenues
19 and balances transferred to the successor agency.

20 (m) The Recognized Obligation Payment Schedule for the period
21 of January 1, 2013, to June 30, 2013, shall be submitted by the
22 successor agency, after approval by the oversight board, no later
23 than September 1, 2012. Commencing with the Recognized
24 Obligation Payment Schedule covering the period July 1, 2013,
25 through December 31, 2013, successor agencies shall submit an
26 oversight board-approved Recognized Obligation Payment
27 Schedule to the Department of Finance and to the county
28 auditor-controller no fewer than 90 days before the date of property
29 tax distribution. The Department of Finance shall make its
30 determination of the enforceable obligations and the amounts and
31 funding sources of the enforceable obligations no later than 45
32 days after the Recognized Obligation Payment Schedule is
33 submitted. Within five business days of the department's
34 determination, a successor agency may request additional review
35 by the department and an opportunity to meet and confer on
36 disputed items. The meet and confer period may vary; an untimely
37 submittal of a Recognized Obligation Payment Schedule may result
38 in a meet and confer period of less than 30 days. The department
39 shall notify the successor agency and the county auditor-controllers

1 as to the outcome of its review at least 15 days before the date of
2 property tax distribution.

3 (1) The successor agency shall submit a copy of the Recognized
4 Obligation Payment Schedule to the Department of Finance
5 electronically, and the successor agency shall complete the
6 Recognized Obligation Payment Schedule in the manner provided
7 for by the department. A successor agency shall be in
8 noncompliance with this paragraph if it only submits to the
9 department an electronic message or a letter stating that the
10 oversight board has approved a Recognized Obligation Payment
11 Schedule.

12 (2) If a successor agency does not submit a Recognized
13 Obligation Payment Schedule by the deadlines provided in this
14 subdivision, the city, county, or city and county that created the
15 redevelopment agency shall be subject to a civil penalty equal to
16 ten thousand dollars (\$10,000) per day for every day the schedule
17 is not submitted to the department. The civil penalty shall be paid
18 to the county auditor-controller for allocation to the taxing entities
19 under Section 34183. If a successor agency fails to submit a
20 Recognized Obligation Payment Schedule by the deadline, any
21 creditor of the successor agency or the Department of Finance or
22 any affected taxing entity shall have standing to and may request
23 a writ of mandate to require the successor agency to immediately
24 perform this duty. Those actions may be filed only in the County
25 of Sacramento and shall have priority over other civil matters.
26 Additionally, if an agency does not submit a Recognized Obligation
27 Payment Schedule within 10 days of the deadline, the maximum
28 administrative cost allowance for that period shall be reduced by
29 25 percent.

30 (3) If a successor agency fails to submit to the department an
31 oversight board-approved Recognized Obligation Payment
32 Schedule that complies with all requirements of this subdivision
33 within five business days of the date upon which the Recognized
34 Obligation Payment Schedule is to be used to determine the amount
35 of property tax allocations, the department may determine if any
36 amount should be withheld by the county auditor-controller for
37 payments for enforceable obligations from distribution to taxing
38 entities, pending approval of a Recognized Obligation Payment
39 Schedule. The county auditor-controller shall distribute the portion
40 of any of the sums withheld pursuant to this paragraph to the

1 affected taxing entities in accordance with paragraph (4) of
2 subdivision (a) of Section 34183 upon notice by the department
3 that a portion of the withheld balances are in excess of the amount
4 of enforceable obligations. The county auditor-controller shall
5 distribute withheld funds to the successor agency only in
6 accordance with a Recognized Obligation Payment Schedule
7 approved by the department. County auditor-controllers shall lack
8 the authority to withhold any other amounts from the allocations
9 provided for under Section 34183 or 34188 unless required by a
10 court order.

11 (4) (A) The Recognized Obligation Payment Schedule payments
12 required pursuant to this subdivision may be scheduled beyond
13 the existing Recognized Obligation Payment Schedule cycle upon
14 a showing that a lender requires cash on hand beyond the
15 Recognized Obligation Payment Schedule cycle.

16 (B) When a payment is shown to be due during the Recognized
17 Obligation Payment Schedule period, but an invoice or other billing
18 document has not yet been received, the successor agency may
19 utilize reasonable estimates and projections to support payment
20 amounts for enforceable obligations if the successor agency submits
21 appropriate supporting documentation of the basis for the estimate
22 or projection to the department *and the auditor-controller*.

23 (C) A Recognized Obligation Payment Schedule may also
24 include appropriation of moneys from bonds subject to passage
25 during the Recognized Obligation Payment Schedule cycle when
26 an enforceable obligation requires the agency to issue the bonds
27 and use the proceeds to pay for project expenditures.

28 (n) Cause a postaudit of the financial transactions and records
29 of the successor agency to be made at least annually by a certified
30 public accountant.

31 ~~SEC. 5. Section 34180 of the Health and Safety Code is~~
32 ~~amended to read:~~

33 ~~34180. (a) All of the following successor agency actions shall~~
34 ~~first be approved by the oversight board:~~

35 ~~(1) The establishment of new repayment terms for outstanding~~
36 ~~loans where the terms have not been specified prior to the date of~~
37 ~~this part. An oversight board shall not have the authority to~~
38 ~~reestablish loan agreements between the successor agency and the~~
39 ~~city, county, or city and county that formed the redevelopment~~

1 agency except as provided in Chapter 9 (commencing with Section
2 34191.1).

3 ~~(2) The issuance of bonds or other indebtedness or the pledge~~
4 ~~or agreement for the pledge of property tax revenues (formerly tax~~
5 ~~increment prior to the effective date of this part) pursuant to~~
6 ~~subdivision (a) of Section 34177.5.~~

7 ~~(3) Setting aside of amounts in reserves as required by~~
8 ~~indentures, trust indentures, or similar documents governing the~~
9 ~~issuance of outstanding redevelopment agency bonds.~~

10 ~~(4) Merging of project areas.~~

11 ~~(5) Continuing the acceptance of federal or state grants, or other~~
12 ~~forms of financial assistance from either public or private sources,~~
13 ~~if that assistance is conditioned upon the provision of matching~~
14 ~~funds, by the successor entity as successor to the former~~
15 ~~redemption agency, in an amount greater than 5 percent.~~

16 ~~(6) (A) If a city, county, or city and county wishes to retain any~~
17 ~~properties or other assets for future redevelopment activities,~~
18 ~~funded from its own funds and under its own auspices, it must~~
19 ~~reach a compensation agreement with the other taxing entities to~~
20 ~~provide payments to them in proportion to their shares of the base~~
21 ~~property tax, as determined pursuant to Section 34188, for the~~
22 ~~value of the property retained.~~

23 ~~(B) If no other agreement is reached on valuation of the retained~~
24 ~~assets, the value will be the fair market value as of the 2011~~
25 ~~property tax lien date as determined by an independent appraiser~~
26 ~~approved by the oversight board.~~

27 ~~(7) Establishment of the Recognized Obligation Payment~~
28 ~~Schedule.~~

29 ~~(8) A request by the successor agency to enter into an agreement~~
30 ~~with the city, county, or city and county that formed the~~
31 ~~redemption agency that it is succeeding. An oversight board~~
32 ~~shall not have the authority to reestablish loan agreements between~~
33 ~~the successor agency and the city, county, or city and county that~~
34 ~~formed the redemption agency except as provided in Chapter~~
35 ~~9 (commencing with Section 34191.1). Any actions to reestablish~~
36 ~~any other agreements that are in furtherance of enforceable~~
37 ~~obligations, with the city, county, or city and county that formed~~
38 ~~the redemption agency are invalid until they are included in an~~
39 ~~approved and valid Recognized Obligation Payment Schedule.~~

1 ~~(9) A request by a successor agency or taxing entity to pledge,~~
2 ~~or to enter into an agreement for the pledge of, property tax~~
3 ~~revenues pursuant to subdivision (b) of Section 34178.~~

4 ~~(b) A successor agency shall provide notice to the oversight~~
5 ~~board at least 10 days prior to entering into a contract or agreement~~
6 ~~for the use or disposition of properties pursuant to paragraph (2)~~
7 ~~of subdivision (c) of Section 34191.5. During the 10-day period~~
8 ~~the oversight board may notify the successor agency that the board~~
9 ~~intends to conduct a hearing to determine whether the contract or~~
10 ~~agreement is consistent with the successor agency's long-range~~
11 ~~property management plan. The board shall hold the hearing and~~
12 ~~issue findings within 30 days after it so notified the successor~~
13 ~~agency.~~

14 ~~(c) Any document submitted by a successor agency to an~~
15 ~~oversight board for approval by any provision of this part shall~~
16 ~~also be submitted to the county administrative officer, the county~~
17 ~~auditor-controller, and the Department of Finance at the same time~~
18 ~~that the successor agency submits the document to the oversight~~
19 ~~board.~~

20 ~~SEC. 6. Section 34183 of the Health and Safety Code is~~
21 ~~amended to read:~~

22 ~~34183. (a) Notwithstanding any other law, from February 1,~~
23 ~~2012, to July 1, 2012, and for each fiscal year thereafter, the county~~
24 ~~auditor-controller shall, after deducting administrative costs~~
25 ~~allowed under Section 34182 and Section 95.3 of the Revenue and~~
26 ~~Taxation Code, allocate moneys in each Redevelopment Property~~
27 ~~Tax Trust Fund as follows:~~

28 ~~(1) Subject to any prior deductions required by subdivision (b),~~
29 ~~first, the county auditor-controller shall remit from the~~
30 ~~Redevelopment Property Tax Trust Fund to each local agency and~~
31 ~~school entity an amount of property tax revenues in an amount~~
32 ~~equal to that which would have been received under Section 33401,~~
33 ~~33492.140, 33607, 33607.5, 33607.7, or 33676, as those sections~~
34 ~~read on January 1, 2011, or pursuant to any passthrough agreement~~
35 ~~between a redevelopment agency and a taxing entity that was~~
36 ~~entered into prior to January 1, 1994, that would be in force during~~
37 ~~that fiscal year, had the redevelopment agency existed at that time.~~
38 ~~The amount of the payments made pursuant to this paragraph shall~~
39 ~~be calculated solely on the basis of passthrough payment~~
40 ~~obligations, existing prior to the effective date of this part and~~

1 continuing as obligations of successor entities, shall occur no later
2 than May 16, 2012, and no later than June 1, 2012, and each
3 January 2 and June 1 thereafter. Notwithstanding subdivision (e)
4 of Section 33670, that portion of the taxes in excess of the amount
5 identified in subdivision (a) of Section 33670, which are
6 attributable to a tax rate levied by a taxing entity for the purpose
7 of producing revenues in an amount sufficient to make annual
8 repayments of the principal of, and the interest on, any bonded
9 indebtedness for the acquisition or improvement of real property
10 shall be allocated to, and when collected shall be paid into, the
11 fund of that taxing entity. The amount of passthrough payments
12 computed pursuant to this section, including any passthrough
13 agreements, shall be computed as though the requirement to set
14 aside funds for the Low and Moderate Income Housing Fund was
15 still in effect.

16 (2) Second, on June 1, 2012, and each January 2 and June 1
17 thereafter, to each successor agency for payments listed in its
18 Recognized Obligation Payment Schedule for the six-month fiscal
19 period beginning January 1, 2012, and July 1, 2012, and each
20 January 2 and June 1 thereafter, in the following order of priority:

21 (A) Debt service payments scheduled to be made for tax
22 allocation bonds.

23 (B) Payments scheduled to be made on revenue bonds, but only
24 to the extent the revenues pledged for them are insufficient to make
25 the payments and only if the agency's tax increment revenues were
26 also pledged for the repayment of the bonds.

27 (C) Payments scheduled for other debts and obligations listed
28 in the Recognized Obligation Payment Schedule that are required
29 to be paid from former tax increment revenue.

30 (3) Third, on June 1, 2012, and each January 2 and June 1
31 thereafter, to each successor agency for the administrative cost
32 allowance, as defined in Section 34171, for administrative costs
33 set forth in an approved administrative budget for those payments
34 required to be paid from former tax increment revenues.

35 (4) Fourth, on March 1, 2014, and each January 2 and June 1
36 thereafter until June 1, 2018, for the housing entity administrative
37 cost allowance payable to the local housing authority that has
38 assumed the housing duties of the former redevelopment agency
39 pursuant to paragraph (2) or (3) of subdivision (b) of Section
40 34176.

1 ~~(5) Fifth, on June 1, 2012, and each January 2 and June 1~~
2 ~~thereafter, any moneys remaining in the Redevelopment Property~~
3 ~~Tax Trust Fund after the payments and transfers authorized by~~
4 ~~paragraphs (1) to (4), inclusive, shall be distributed to local~~
5 ~~agencies and school entities in accordance with Section 34188.~~

6 ~~(b) If the successor agency reports, no later than April 1, 2012,~~
7 ~~and May 1, 2012, and each December 1 and May 1 thereafter, to~~
8 ~~the county auditor-controller that the total amount available to the~~
9 ~~successor agency from the Redevelopment Property Tax Trust~~
10 ~~Fund allocation to that successor agency's Redevelopment~~
11 ~~Obligation Retirement Fund, from other funds transferred from~~
12 ~~each redevelopment agency, and from funds that have or will~~
13 ~~become available through asset sales and all redevelopment~~
14 ~~operations, are insufficient to fund the payments required by~~
15 ~~paragraphs (1) to (4), inclusive, of subdivision (a) in the next~~
16 ~~six-month fiscal period, the county auditor-controller shall notify~~
17 ~~the Controller and the Department of Finance no later than 10 days~~
18 ~~from the date of that notification. The county auditor-controller~~
19 ~~shall verify whether the successor agency will have sufficient funds~~
20 ~~from which to service debts according to the Recognized~~
21 ~~Obligation Payment Schedule and shall report the findings to the~~
22 ~~Controller. If the Controller concurs that there are insufficient~~
23 ~~funds to pay required debt service, the amount of the deficiency~~
24 ~~shall be deducted first from the amount remaining to be distributed~~
25 ~~to taxing entities pursuant to paragraph (5), and if that amount is~~
26 ~~exhausted, from amounts available for distribution for~~
27 ~~administrative costs in paragraphs (3) and (4), with those amounts~~
28 ~~in paragraph (3) to be exhausted first. If an agency, pursuant to~~
29 ~~the provisions of Section 33492.15, 33492.72, 33607.5, 33671.5,~~
30 ~~33681.15, or 33688 or as expressly provided in a passthrough~~
31 ~~agreement entered into pursuant to Section 33401, made~~
32 ~~passthrough payment obligations subordinate to debt service~~
33 ~~payments required for enforceable obligations, funds for servicing~~
34 ~~bond debt may be deducted from the amounts for passthrough~~
35 ~~payments under paragraph (1), as provided in those sections, but~~
36 ~~only to the extent that the amounts remaining to be distributed to~~
37 ~~taxing entities pursuant to paragraph (5) and the amounts available~~
38 ~~for distribution for administrative costs in paragraphs (3) and (4)~~
39 ~~have all been exhausted.~~

1 ~~(e) The county treasurer may loan any funds from the county~~
2 ~~treasury to the Redevelopment Property Tax Trust Fund of the~~
3 ~~successor agency for the purpose of paying an item approved on~~
4 ~~the Recognized Obligation Payment Schedule at the request of the~~
5 ~~Department of Finance that are necessary to ensure prompt~~
6 ~~payments of redevelopment agency debts. An enforceable~~
7 ~~obligation is created for repayment of those loans.~~

8 ~~(d) The Controller may recover the costs of audit and oversight~~
9 ~~required under this part from the Redevelopment Property Tax~~
10 ~~Trust Fund by presenting an invoice therefor to the county~~
11 ~~auditor-controller who shall set aside sufficient funds for and~~
12 ~~disburse the claimed amounts prior to making the next distributions~~
13 ~~to the taxing entities pursuant to Section 34188. Subject to the~~
14 ~~approval of the Director of Finance, the budget of the Controller~~
15 ~~may be augmented to reflect the reimbursement, pursuant to~~
16 ~~Section 28.00 of the Budget Act.~~

17 ~~(e) Within 10 days of each distribution of property tax, the~~
18 ~~county auditor-controller shall provide a report to the department~~
19 ~~regarding the distribution for each successor agency that includes~~
20 ~~information on the total available for allocation, the passthrough~~
21 ~~amounts and how they were calculated, the amounts distributed~~
22 ~~to successor agencies, and the amounts distributed to taxing entities~~
23 ~~in a manner and form specified by the department. This reporting~~
24 ~~requirement shall also apply to distributions required under~~
25 ~~subdivision (b) of Section 34183.5.~~

26 ~~SEC. 7:~~

27 ~~SEC. 4.~~ Section 34191.4 of the Health and Safety Code is
28 amended to read:

29 34191.4. The following provisions shall apply to any successor
30 agency that has been issued a finding of completion by the
31 Department of Finance:

32 (a) All real property and interests in real property identified in
33 subparagraph (C) of paragraph (5) of subdivision (c) of Section
34 34179.5 shall be transferred to the Community Redevelopment
35 Property Trust Fund of the successor agency upon approval by the
36 Department of Finance of the long-range property management
37 plan submitted by the successor agency pursuant to subdivision
38 (b) of Section 34191.5 unless that property is subject to the
39 requirements of any existing enforceable obligation.

1 (b) (1) Notwithstanding subdivision (d) of Section 34171, upon
2 application by the successor agency and approval by the oversight
3 board, loan agreements entered into between the redevelopment
4 agency and the city, county, or city and county that created the
5 redevelopment agency shall be deemed to be enforceable
6 obligations provided that the oversight board makes a finding that
7 the loan was for legitimate redevelopment purposes.

8 (2) If the oversight board finds that the loan is an enforceable
9 obligation, the accumulated interest on the remaining principal
10 amount of the loan shall be recalculated from origination at the
11 interest rate earned by funds deposited into the Local Agency
12 Investment Fund. The loan shall be repaid to the city, county, or
13 city and county in accordance with a defined schedule over a
14 reasonable term of years at an interest rate not to exceed the interest
15 rate earned by funds deposited into the Local Agency Investment
16 Fund. The annual loan repayments provided for in the recognized
17 obligation payment schedules shall be subject to all of the following
18 limitations:

19 (A) Loan repayments shall not be made prior to the 2013–14
20 fiscal year. Beginning in the 2013–14 fiscal year, the maximum
21 repayment amount authorized each fiscal year for repayments
22 made pursuant to this subdivision and paragraph (7) of subdivision
23 (e) of Section 34176 combined shall be equal to one-half of the
24 increase between the amount distributed to the taxing entities
25 pursuant to paragraph ~~(5)~~ (4) of subdivision (a) of Section 34183
26 in that fiscal year and the amount distributed to taxing entities
27 pursuant to that paragraph in the 2012–13 base year, provided,
28 however, that calculation of the amount distributed to taxing
29 entities during the 2012–13 base year shall not include any amounts
30 distributed to taxing entities pursuant to the due diligence review
31 process established in Sections 34179.5 to 34179.8, inclusive.
32 Loan or deferral repayments made pursuant to this subdivision
33 shall be second in priority to amounts to be repaid pursuant to
34 paragraph (7) of subdivision (e) of Section 34176.

35 (B) Repayments received by the city, county, or city and county
36 that formed the redevelopment agency shall first be used to retire
37 any outstanding amounts borrowed and owed to the Low and
38 Moderate Income Housing Fund of the former redevelopment
39 agency for purposes of the Supplemental Educational Revenue
40 Augmentation Fund and shall be distributed to the Low and

1 Moderate Income Housing Asset Fund established by subdivision
2 (d) of Section 34176.

3 (C) Twenty percent of any loan repayment shall be deducted
4 from the loan repayment amount and shall be transferred to the
5 Low and Moderate Income Housing Asset Fund, after all
6 outstanding loans from the Low and Moderate Income Housing
7 Fund for purposes of the Supplemental Educational Revenue
8 Augmentation Fund have been paid.

9 (c) (1) Bond proceeds derived from bonds issued on or before
10 December 31, 2010, shall be used for the purposes for which the
11 bonds were sold.

12 (2) (A) Notwithstanding Section 34177.3 or any other
13 conflicting provision of law, bond proceeds in excess of the
14 amounts needed to satisfy approved enforceable obligations shall
15 thereafter be expended in a manner consistent with the original
16 bond covenants. Enforceable obligations may be satisfied by the
17 creation of reserves for projects that are the subject of the
18 enforceable obligation and that are consistent with the contractual
19 obligations for those projects, or by expending funds to complete
20 the projects. An expenditure made pursuant to this paragraph shall
21 constitute the creation of excess bond proceeds obligations to be
22 paid from the excess proceeds. Excess bond proceeds obligations
23 shall be listed separately on the Recognized Obligation Payment
24 Schedule submitted by the successor agency.

25 (B) If remaining bond proceeds cannot be spent in a manner
26 consistent with the bond covenants pursuant to subparagraph (A),
27 the proceeds shall be used to defease the bonds or to purchase
28 those same outstanding bonds on the open market for cancellation.

29 ~~(d) The successor agency may amend an existing contract or~~
30 ~~agreement related to long-term enforceable obligations, or enter~~
31 ~~into a new contract or agreement in furtherance of any existing~~
32 ~~contract or agreement, for the purpose of administering projects~~
33 ~~in connection with long-term enforceable obligations, if the existing~~
34 ~~contract or agreement has been approved by the department as an~~
35 ~~enforceable obligation on a Recognized Obligation Payment~~
36 ~~Schedule pursuant to subdivision (m) of Section 34177, and the~~
37 ~~existing contract or agreement has received a final and conclusive~~
38 ~~determination pursuant to subdivision (i) of Section 34177.5.~~
39 ~~Additionally, any amendment of an existing contract or agreement,~~
40 ~~or any new contract or agreement entered into pursuant to this~~

1 ~~subdivision, shall not adversely affect the flow of property tax~~
2 ~~revenues or payments made pursuant to paragraph (4) of~~
3 ~~subdivision (a) of Section 34183 to the taxing entities, including~~
4 ~~the commitment of any new funding from any source beyond that~~
5 ~~which was previously authorized in an existing contract or~~
6 ~~agreement if that commitment would have an adverse effect on~~
7 ~~the flow of property tax revenues or payments made pursuant to~~
8 ~~paragraph (4) of subdivision (a):~~

9 ~~SEC. 8:~~

10 *SEC. 5.* Section 34191.5 of the Health and Safety Code is
11 amended to read:

12 34191.5. (a) There is hereby established a Community
13 Redevelopment Property Trust Fund, administered by the successor
14 agency, to serve as the repository of the former redevelopment
15 agency's real properties identified in subparagraph (C) of paragraph
16 (5) of subdivision (c) of Section 34179.5.

17 (b) The successor agency shall prepare a long-range property
18 management plan that addresses the disposition and use of the real
19 properties of the former redevelopment agency. The report shall
20 be submitted to the oversight board and the Department of Finance
21 for approval no later than six months following the issuance to the
22 successor agency of the finding of completion.

23 (c) The long-range property management plan shall do all of
24 the following:

25 (1) Include an inventory of all properties in the trust. The
26 inventory shall consist of all of the following information:

27 (A) The date of the acquisition of the property and the value of
28 the property at that time, and an estimate of the current value of
29 the property.

30 (B) The purpose for which the property was acquired.

31 (C) Parcel data, including address, lot size, and current zoning
32 in the former agency redevelopment plan or specific, community,
33 or general plan.

34 (D) An estimate of the current value of the parcel including, if
35 available, any appraisal information.

36 (E) An estimate of any lease, rental, or any other revenues
37 generated by the property, and a description of the contractual
38 requirements for the disposition of those funds.

1 (F) The history of environmental contamination, including
2 designation as a brownfield site, any related environmental studies,
3 and history of any remediation efforts.

4 (G) A description of the property's potential for transit-oriented
5 development and the advancement of the planning objectives of
6 the successor agency.

7 (H) A brief history of previous development proposals and
8 activity, including the rental or lease of property.

9 (2) Address the use or disposition of all of the properties in the
10 trust. Permissible uses include the retention of the property for
11 governmental use pursuant to subdivision (a) of Section 34181,
12 the retention of the property for future development, the sale of
13 the property, or the use of the property to fulfill an enforceable
14 obligation. The plan shall separately identify and list properties in
15 the trust dedicated to governmental use purposes and properties
16 retained for purposes of fulfilling an enforceable obligation. With
17 respect to the use or disposition of all other properties, all of the
18 following shall apply:

19 (A) (i) If the plan directs the use or liquidation of the property
20 for a project identified in an approved redevelopment plan, the
21 property shall transfer to the city, county, or city and county.

22 (ii) For purposes of this subparagraph, the term "identified in
23 an approved redevelopment plan" includes properties listed in a
24 community plan or a five-year implementation plan.

25 (B) If the plan directs the liquidation of the property or the use
26 of revenues generated from the property, such as lease or parking
27 revenues, for any purpose other than to fulfill an enforceable
28 obligation or other than that specified in subparagraph (A), the
29 proceeds from the sale shall be distributed as property tax to the
30 taxing entities.

31 (C) Property shall not be transferred to a successor agency, city,
32 county, or city and county, unless the long-range property
33 management plan has been approved by the oversight board and
34 the Department of Finance.

35 ~~SEC. 9.~~

36 *SEC. 6.* No reimbursement is required by this act pursuant to
37 Section 6 of Article XIII B of the California Constitution because
38 this act provides for offsetting savings to local agencies or school
39 districts that result in no net costs to the local agencies or school

1 districts, within the meaning of Section 17556 of the Government
2 Code.

3 ~~SEC. 10.~~

4 *SEC. 7.* This act is an urgency statute necessary for the
5 immediate preservation of the public peace, health, or safety within
6 the meaning of Article IV of the Constitution and shall go into
7 immediate effect. The facts constituting the necessity are:

8 In order to facilitate the smooth and effective implementation
9 and completion of the dissolution of redevelopment agencies, it is
10 necessary that this act go into immediate effect.

O